

## ARTICLE XVI

### CUSTOMS DUTIES, TAXES, AND SIMILAR CHARGES

- 16.1. Customs duties, import and export taxes, and similar charges shall be administered in accordance with each Party's respective laws and regulations. Insofar as existing national laws and regulations permit, the Parties shall endeavor to ensure that such readily identifiable duties, taxes and similar charges, as well as quantitative or other restrictions on imports and exports, are not imposed in connection with work carried out under this Project.
- 16.2. Each Party shall use its best efforts to ensure that customs duties, import and export taxes, and similar charges are administered in a manner favorable to the efficient and economical conduct of the work. If any such duties, taxes, or similar charges are levied, the Party in whose country they are levied shall bear such costs over and above that Party's share of the costs of the Project.

**ARTICLE XVII**  
**SETTLEMENT OF DISPUTES**

17.1. Disputes between the Parties arising under or relating to this Agreement shall be resolved only by consultation between the Parties and shall not be referred to a national court, an international tribunal, or to any other person or entity for settlement.

## ARTICLE XVIII

### LANGUAGE

- 18.1. The working language for the Project shall be the English language.
- 18.2. All data and information generated under this Agreement and its implementing Contracts and provided by one Party to the other Party shall be furnished in the English language.

## ARTICLE XIX

### AMENDMENT, TERMINATION, ENTRY INTO FORCE, AND DURATION

19.1. All activities of the Parties under this Agreement shall be carried out in accordance with their national laws and the obligations of the Parties shall be subject to the availability of funds for such purposes.

19.2. In the event of a conflict between an Article of this Agreement and any Annex to this Agreement, the Article shall control.

19.3. Except as otherwise provided, this Agreement may be amended by the mutual written consent of the Parties. Annexes A (Production Quantities) and C (RAMPO Organization) of this Agreement may be amended by the written approval of the SC. Annex D (Financial Matters) of this Agreement may be amended by the written approval of the SC only within the Cost Ceiling of the Agreement.

19.4. This Agreement may be terminated at any time upon the written consent of the Parties. In the event both Parties consent to terminate this Agreement, the Parties shall consult prior to the date of termination to ensure termination on the most economical and equitable terms.

19.5. Either Party may terminate this Agreement upon 120 days written notification of its intent to terminate to the other Party. Such notice shall be the subject of immediate consultation by the SC to decide upon the appropriate course of action. In the event of such termination, the following rules apply:

19.5.1. The terminating Party shall continue participation, financial or otherwise, up to the effective date of termination.

19.5.2. Except for contract costs incurred on behalf of both Parties, each Party shall be responsible for its own Project-related costs (such as RAMPO shutdown and personnel relocation) associated with termination of the Project. Contract costs related to termination of the Project shall be shared by the Parties in the same proportion as they share the contract costs of such Contracts. In no event, however, shall a Party's costs exceed the total amount of that Party's contribution under Section V (Financial Provisions).

19.5.3. All Project Information and rights therein received under the provisions of this Agreement prior to the termination shall be retained by the Parties, subject to the provisions of this Agreement.

19.6. The respective rights and obligations of the Parties regarding Article VIII (Project Equipment), Article IX (Disclosure and Use of Project Information), Article X (Controlled Unclassified Information), Article XII (Security), Article XIII (Third Party Sales and Transfers), and Article XIV (Liability and Claims), shall continue notwithstanding termination or expiration of this Agreement.

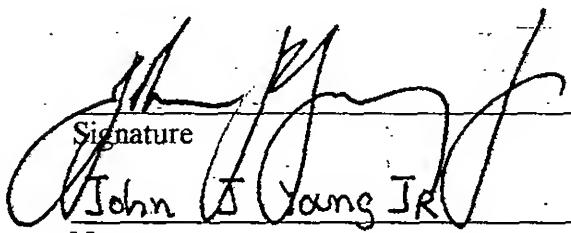
19.7. This Agreement, which consists of nineteen Articles and four Annexes, shall enter into force upon signature by both Parties and shall remain in force for 10 years. It may be extended by written agreement of the Parties.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their governments, have signed this Agreement.

DONE, in duplicate, in the English language and in the German language, each text being equally authentic.

FOR THE DEPARTMENT OF DEFENSE  
OF THE UNITED STATES OF  
AMERICA

FOR THE FEDERAL MINISTRY OF  
DEFENSE OF THE FEDERAL  
REPUBLIC OF GERMANY

  
Signature

John S. Young Jr.  
Name

ASSISTANT SECRETARY OF THE NAVY (P&O)  
Title

10 DEC 01  
Date

Washington DC  
Location

  
Signature

Dr. Kurt Schloenbach  
Name

Vizepräsident (w)  
Title

14. 11. 2001  
Date

Koßlau  
Location

**ANNEX A**  
**PLANNED NATIONAL PRODUCTION QUANTITIES**  
**COST ESTIMATES**  
**(FY 99 K\$)**

PLANNED QUANTITY- ORDER YEAR	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	TOTAL
PLANNED DELIVERY YEAR	FY03	FY04	FY05	FY06	FY07	FY06	FY07	FY08	FY09	
<b>UNITED STATES OF AMERICA (US)</b>										
GMRP QUANTITY	90	155	180	240	230	230	230	230	230	1.355
GMRP RETROFIT KITS	0	160	165	0	0	0	0	0	0	325
GMLS QUANTITY (21 ROUND LCHR)	10	8	8	10	0	0	0	0	0	36
GMLS ORDALT KITS	10	24	4	8	20	14	14	6	6	86
<b>FEDERAL REPUBLIC OF GERMANY (GE)</b>										
GMRP RETROFIT KITS		20	100	130	140	180				570
GMLS QUANTITY (21 RD. LCHR) K130 Budget		2	4	4	2	2				10
GMLS ORDALT KITS		2	4	8	9	9	9	9	2	43
<b>NATIONAL COST ESTIMATES (US) 1</b>										
MISSILES	37.980	53.274	60.624	81.120	78.545	80.194	81.879	81.879	81.879	473.616
MISSILE KITS	0	22.080	22.308	0	0	0	0	0	0	44.388
LAUNCHERS	74.140	16.541	17.686	22.460	0	0	0	0	0	130.827
LAUNCHER ORDALT	7.010	16.824	2.804	5.608	14.020	9.814	4.206	4.206	4.206	60.286
<b>NATIONAL COST ESTIMATES (GE) 2</b>										
MISSILES KITS	1.502	3.520	17.170	20.090	28.330	24.380	19.070	19.070	19.070	114.062
LAUNCHERS (K130 Budget)	0	0	14.722	15.709	11.503	0	0	0	0	41.934
LAUNCHER ORDALT	430	6.996	6.653	5.666	4.893	5.151	10.902	10.902	10.902	40.691
US TOTAL	119.130	108.719	103.422	109.188	92.565	90.008	86.085	86.085	86.085	709.117
GE TOTAL	1.932	10.516	38.545	41.465	44.726	29.531	29.972	29.972	29.972	196.687
<b>GRAND TOTAL</b>	<b>121.062</b>	<b>119.235</b>	<b>141.967</b>	<b>150.653</b>	<b>137.291</b>	<b>119.539</b>	<b>116.057</b>	<b>116.057</b>	<b>116.057</b>	<b>905.804</b>

1) US: ESTIMATES BASED ON FY99 ASSUMPTIONS. Estimates indicate order value, not cash flow.

2) GE: Cost Estimates without VAT(16%). National costs not included. GE numbers show approximate cash flow per "Haushaltsjahr". 1\$=1,95DM  
 General Remark: US and GE ORDALT Kits and Launchers are different in content, costs cannot be compared.  
 (08Aug01)

## ANNEX B

### PROCEDURES FOR TRANSFERS WITHIN THE RAM PRODUCTION COOPERATIVE PROJECT

Transfer of RAM production components produced under US contract for GE or under a GE contract for the US will occur under cooperative procedures delineated herein.

<u>Cooperative Document</u>	<u>Comment</u>
Requests for Budget Data, Requests for a Cooperative Program Ordering Agreement	Each country shall annually submit to the Steering Committee an Ordering Memorandum containing firm quantities for the current year (if applicable) and planned quantities for the subsequent five years. The Ordering Memorandum is the basis for a Cooperative Project Ordering Agreement (CPOA). The CPOA transfers obligational authority to the contracting agency.
Cooperative Program Ordering Agreement (CPOA)	The CPOA should contain the following information: <ul style="list-style-type: none"><li>- Reference to this MOU</li><li>- Date order issued</li><li>- Items and quantities to be ordered</li><li>- Estimated purchase amount</li><li>- Payment schedule</li><li>- Estimated delivery dates</li><li>- Initial point of shipment</li><li>- Shipping instructions</li><li>- Terms and Conditions (Figure B-1)</li></ul>
Signatures	The CPOA is signed by both SC members. Signature of the ordering nation SC member validates the order of the Ordering Nation. Signatures of both the GE and the US SC members validate delivery, pricing, and payment schedule estimates.
Amendment to CPOA	The CPOA amendment makes a change of substance to the basic CPOA (scope, quantities, specifications, pricing, payment schedule, etc.). The CPOA amendment must be signed by both SC members or their delegates.
Termination of CPOA	CPOAs can be terminated at any time by the ordering nation. Termination notification should be signed by the ordering nation SC member and signed by the other SC member as "received". Contract termination costs resulting from such action are charged to the terminating party. The contracting officer will be immediately notified by RAMPO of such terminations and he will take actions as necessary to minimize Termination costs. Note that CPOA termination is quite distinct from MOU termination. That is, an annual order can be terminated while the MOU continues in effect.

**FIGURE B -1**  
**CPOA TERMS & CONDITIONS**

**A. PROVIDING NATION:**

Agrees to deliver and pass title to the items to the Ordering Nation in accordance with the RAM Block 1 and Block 1 HAS Upgrade Production MOU at the initial point of shipment, unless otherwise specified in this order or the contract. With respect to defense articles procured under contract, this will normally be at the manufacturer's loading facilities; with respect to defense articles furnished from stock, this will normally be at the Providing Nation's depot. Articles will be packed, crated, or otherwise prepared for shipment prior to the time title passes. If a "Point of Delivery" other than the initial point of shipment is specified, the supplying Military Department or Defense Agency will arrange movement of the items to the authorized delivery point as reimbursable service but will pass title at the initial point of shipment. The Providing Nation disclaims any liability for damage or loss to the items incurred after passage of title whether or not transportation is by common carrier or by the Providing Nation's Defense Transportation System.

**B. ORDERING NATION**

1. Will furnish shipping instructions for the items with its acceptance of this order. Such instructions will include (a) offer/release code, (b) freight forwarder code, (c) the mark for code, as applicable, and (d) the appropriate insurance coverage.
2. Will accept title to the defense articles at the initial point of shipment. The Ordering Nation will be responsible for in-transit accounting and settlement of claims against common carriers. Title to defense articles transported by parcel post will pass to Ordering Nation on the date of parcel post shipment. Standard Form 364 will be used in submitting claims to the Providing Nation for overage, shortage, damage, duplicate billing, item deficiency, improper identification, or improper documentation and will be submitted by Ordering Nation promptly. Claims of \$ 1,000.00 or less will not be reported for overages, shortages, or damages.

FIGURE B-2  
ORDERING MEMORANDUM

**FIGURE B-2**  
**ORDERING MEMORANDUM (CON'T)**

ROLLING AIRFRAME MISSILE (RAM)PROGRAM		PARTICIPATING GOVERNMENT:					
<input type="checkbox"/> ORDERING MEMORANDUM <input checked="" type="checkbox"/> COOPERATIVE PROJECT ORDERING AGREEMENT(CPOA) <input type="checkbox"/> CPOA AMENDMENT		U.S.FISCAL YEAR:					
<b>ORDERING MEMORANDUM (CONT'D)</b> <b>RAM ARTICLES- PROJECTED (FOR PLANNING PURPOSES ONLY)</b>							
		<b>QUANTITY</b>					
ITEM	ITEM DESCRIPTION	FY +1	FY +2	FY +3	FY +4	FY +5	FY +6
<b>PROJECTION</b> AS A DULY AUTHORIZED REPRESENTATIVE OF THE ABOVE SAID GOVERNMENT, AND ON ITS BEHALF, I ADVISE THE STEERING COMMITTEE OF MY GOVERNMENT'S PROJECTED REQUIREMENTS TO COMPLETE THE PROGRAM IN ACCORDANCE WITH THE TERMS OF THE MEMORANDUM OF UNDERSTANDING.		<b>RECEIPT</b> AS STEERING COMMITTEE MEMBERS, WE ACKNOWLEDGE RECEIPT OF THESE PROJECTIONS AND DIRECT THE PROGRAM MANAGER TO PROVIDE COST ESTIMATES WITHIN 60 DAYS.		<b>ESTIMATE</b> TO THE BEST OF MY ACKNOWLEDGE AND BELIEF THE ESTIMATES ATTACHED REPRESENT THE BEST INFORMATION AVAILABLE AS OF THE DATE SHOWN BELOW.			
(SIGNATURE) (NAME) (TITLE) (DATE)		(SIGNATURE) (NAME) (TITLE) (DATE)		(SIGNATURE, PROGRAM MANAGER) (NAME) (TITLE) (DATE)			

**FIGURE B-3**  
**COOPERATIVE PROGRAM ORDERING AGREEMENT**

<b>ROLLING AIRFRAME MISSILE (RAM) PROGRAM</b> <input type="checkbox"/> COOPERATIVE PROJECT ORDERING AGREEMENT (CPOA) <input type="checkbox"/> CPOA AMENDMENT	<b>PARTICIPATING GOVERNMENT:</b>    <b>U.S. FISCAL YEAR:</b>
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**COOPERATIVE PROJECT ORDERING AGREEMENT**

PURSUANT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE GOVERNMENT THE UNITED STATES OF AMERICA  
REPRESENTED BY THE SECRETARY OF DEFENSE AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY  
REPRESENTED BY THE FEDERAL MINISTER OF DEFENSE CONCERNING COOPERATIVE PRODUCTION OF THE RAM BLOCK 1 AND  
BLOCK 1 HAS UPGRADE SYSTEMS THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY HEREWITHE TRANSFERS, AND  
MAKES AVAILABLE FOR OBLIGATION, BUDGET AUTHORITY IN THE AMOUNT OF \_\_\_\_\_ IN U.S. DOLLARS  
AND \_\_\_\_\_ IN DEUTSCHE MARK/EURO FOR RAM ARTICLES FIRM REQUIREMENTS DESCRIBED ON THE ORDERING  
MEMORANDUM OF SAID GOVERNMENT DATED \_\_\_\_\_ AT THE PRICES ESTIMATED BY THE PROGRAM  
MANAGER SET FORTH THEREIN. IN ACCORDANCE WITH THE ATTACHED TERMS AND CONDITION, FOB CONTRACTOR OR  
ACTIVITY PLACE OF PERFORMANCE.

UPON ACCEPTANCE BY THE UNITED STATES GOVERNMENT OF THIS TRANSFER OF BUDGET  
AUTHORITY, THE PROGRAM MANAGER MAY CAUSE CONTRACTS OR OTHER OBLIGATIONS TO BE EXECUTED ON BEHALF OF  
SAID GOVERNMENT FOR WHICH SAID GOVERNMENT AGREES TO PAY ITS EQUITABLE SHARE FOR THE COST OF  
PERFORMANCE.

ORDERING MEMORANDUM ESTIMATES OF OBLIGATIONS AND EXPENDITURES SHALL BE REVIEWED AND, IF NECESSARY,  
REVISED NO LESS FREQUENTLY THAN ANNUALLY BY THE PROGRAM MANAGER, WHO WILL PROVIDE TIMELY NOTIFICATION OF  
ANTICIPATED INCREASES OR DECREASES. IN THE EVENT OF ANTICIPATED INCREASES, AND WITHIN A REASONABLE PERIOD  
OF TIME FOLLOWING NOTIFICATION, SAID GOVERNMENT SHALL 1) EXECUTE AN ADDITIONAL TRANSFER OF BUDGET  
AUTHORITY EQUAL TO THE INCREASE VIA AN AMENDMENT TO THIS DOCUMENT; 2) REQUEST THE PROGRAM MANAGER  
TERMINATE ORDERING MEMORANDUM EFFORTS SUFFICIENT TO REDUCE TOTAL ESTIMATED COSTS TO THE AMOUNT OF  
BUDGET AUTHORITY PROVIDED HEREIN; OR 3) REQUEST MUTUAL CONSULTATION AND EVALUATION OF THE CONSEQUENCES  
BY THE STEERING COMMITTEE.

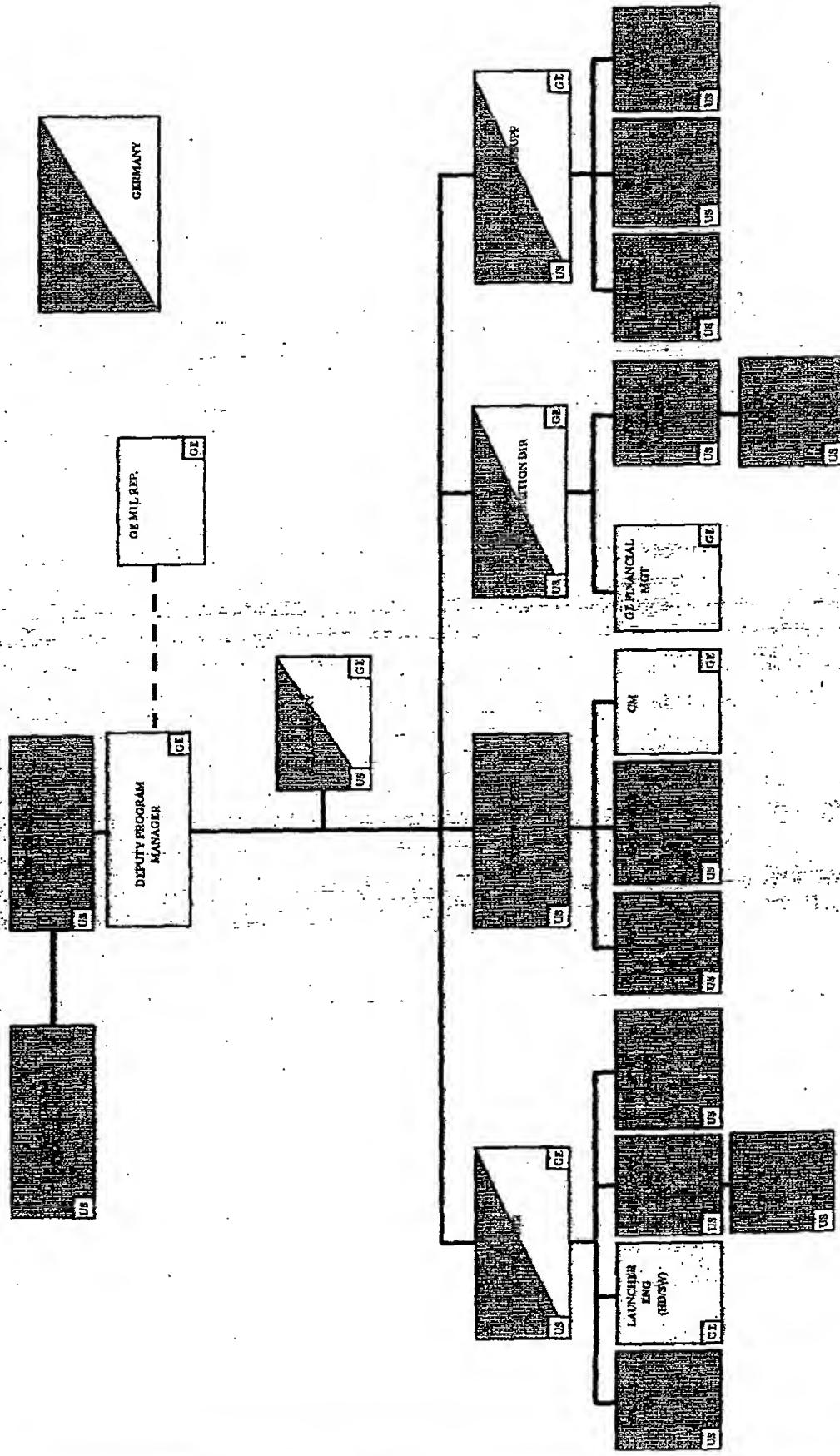
SAID GOVERNMENT SHALL TRANSFER FUNDS TO THE ACCOUNTS SPECIFIED IN THE APPROVED FINANCING PROCEDURES,  
IN THE AMOUNT AND DENOMINATION(S), AND AT THE TIMES, REQUESTED BY THE PROGRAM MANAGER. SUCH REQUESTS  
SHALL BE MADE AS REQUIRED BY CONTRACT OR OTHER OBLIGATION MADE ON BEHALF OF SAID GOVERNMENT. ALL FUNDS  
SHALL BE REQUESTED ON A QUARTERLY BASIS, APPROXIMATELY 120 DAYS IN ADVANCE OF THE QUARTER IN WHICH THE FUNDS  
ARE REQUIRED, AND TRANSFERRED IN TIME AND MANNER SUFFICIENT TO BE RECEIVED APPROXIMATELY 15 DAYS IN ADVANCE OF  
THE QUARTER IN WHICH PAYMENTS ARE DUE.

SAID GOVERNMENT ALSO AGREES TO PAY ANY DAMAGES THAT ACCRUE FROM FAILURE TO TRANSFER FUNDS ON A TIMELY  
BASIS OR FROM CANCELLATION OF THE CONTRACT OR OTHER OBLIGATION.

TRANSFER	RECEIPT	ACCEPTANCE
AS A DULY AUTHORIZED REPRESENTATIVE OF THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY, I HEREWITHE TRANSFER THE BUDGET AUTHORITY SPECIFIED ABOVE.	AS STEERING COMMITTEE MEMBERS, WE ACKNOWLEDGE RECEIPT OF THIS COOPERATIVE PROJECT ORDERING AGREEMENT.	AS A DULY AUTHORIZED REPRESENTATIVE OF THE NAVSEA COMPTROLLER, AND ON BEHALF OF THE NAVSEA COMPTROLLER I ACCEPT THIS TRANSFER OF BUDGET AUTHORITY UNDER THE TERMS AND CONDITIONS OF THE ORDERING MEMORANDUM AND THIS AGREEMENT.
(SIGNATURE)	(SIGNATURE SC CHAIRMAN)	(SIGNATURE)
(NAME)	(DATE)	(NAME)
(TITLE)	(SIGNATURE GE SC MEMBER)	(TITLE)
(DATE)	(DATE)	(DATE)

## ANNEX C

### RAMPO ORGANIZATION



**ANNEX D**  
**FINANCIAL MATTERS**  
**(FY99-\$K)**

<b>FINANCIAL CONTRIBUTIONS</b>	<b>FY01</b>	<b>FY02</b>	<b>FY03</b>	<b>FY04</b>	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>TOTAL</b>
US	10,690	10,660	3,508	5,982	7,320	7,320	7,333	52,814
GE	3,950	3,950	9,352	7,128	5,790	5,790	5,777	41,736
<b>TOTAL FINANCIAL</b>	<b>14,640</b>	<b>14,610</b>	<b>12,860</b>	<b>13,110</b>	<b>13,110</b>	<b>13,110</b>	<b>13,110</b>	<b>94,550</b>
<b>NON-FINANCIAL CONTRIBUTIONS</b>								
U.S.	0	0	0	0	0	0	0	0
GE	500	530	560	590	620	650	680	4,130
<b>TOTAL NON-FINANCIAL</b>	<b>500</b>	<b>530</b>	<b>560</b>	<b>590</b>	<b>620</b>	<b>650</b>	<b>680</b>	<b>4,130</b>
<b>TOTAL CONTRIBUTIONS</b>	<b>15,140</b>	<b>15,140</b>	<b>13,420</b>	<b>13,700</b>	<b>13,730</b>	<b>13,760</b>	<b>13,790</b>	<b>98,680</b>
US TOTAL	10,690	10,660	3,508	5,982	7,320	7,320	7,333	52,814
GE TOTAL	4,450	4,480	9,912	7,718	6,410	6,440	6,457	45,866